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Property Taxes Law Guide
PROPERTY TAXATION

PART 8. DISTRIBUTION

- Chapter 1. Generally. §§ 4651–4651.4.
- 1a. Secured Roll. §§ 4653–4653.8
 - 1b. Unsecured Roll. §§ 4655–4655.4.
 - 1c. Redemptions. §§ 4656–4656.7.
 - 1d. Delinquent Unsecured Roll. §§ 4658–4658.4.
 - 1.3. Distribution of Proceeds from Sale of Tax-Deeded Property. §§ 4671–4676.
 3. Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds. §§ 4701–4717.

CHAPTER 1. GENERALLY

- § 4651. “Fund.”
- § 4651.2. Deposit in general fund.
- § 4651.4. Accounts and reports.

4651. **“Fund.”** Unless the context otherwise requires, as used in this part, “fund” includes:

- (a) A revenue district.
- (b) A taxing agency.
- (c) Annual installments of assessments charged on the roll.

History.—Stats. 1951, p. 1413, in effect September 22, 1951, repealed former section relating to “Taxes” and added present section, based on former Section 4652.

4651.2. **Deposit in general fund.** Unless otherwise provided by law, any amount distributed to the State pursuant to this part shall be deposited in the State General Fund.

History.—Added by Stats. 1951, p. 1413, in effect September 22, 1951, based on former Section 4662.

4651.4. **Accounts and reports.** The county treasurer and the county auditor shall each keep an accurate account of money received which is to be distributed and shall, at the time the treasurer is required to settle with the State for money in his possession belonging to the State, make a detailed, verified report to the Controller, in the form prescribed by the Controller, of all amounts distributed to the State.

History.—Added by Stats. 1951, p. 1414, in effect September 22, 1951, based on former Section 4663. Stats. 1953, p. 1423, in effect September 9, 1953, substituted “distributed to the State” for “collected for each year for which the State has unpaid taxes levied on the property.”

CHAPTER 1a. SECURED ROLL

- § 4653. “Taxes.”
- § 4653.2. Payments in lieu of taxes.
- § 4653.4. Distribution of taxes.
- § 4653.6. Distribution of penalties.
- § 4653.7. Distribution of penalties for failure to provide change-in-ownership statements.
- § 4653.8. Distribution of costs.

4653. **“Taxes.”** As used in this chapter, “taxes” includes all taxes, assessments, installments of assessments charged on the current secured roll, and payments in lieu of taxes on property belonging to the United States.

History.—Stats. 1951, pp. 1413 and 1414, in effect September 22, 1951, repealed former section relating to “Order of distribution” and added present section.

4653.2. **Payments in lieu of taxes.** The county auditor may receive and distribute payments in lieu of taxes, other than city taxes, on property which belongs to the United States and is exempt from taxation. Unless

otherwise prescribed by the agency making such payments, the amounts received shall be distributed as prescribed in this chapter.

History.—Added by Stats. 1951, p. 1414, in effect September 22, 1951.

4653.4. Distribution of taxes. Taxes shall be distributed to each fund on the basis of the tax rate established for the current secured roll on which they are charged and in the same proportion that the tax rate for each fund bears to the total tax rate applicable.

History.—Added by Stats. 1951, p. 1414, in effect September 22, 1951. Stats. 1969, p. 219, operative July 1, 1970, completely revised this section.

4653.6. Distribution of penalties. Amounts paid as delinquent penalties shall be distributed to the county general fund.

History.—Added by Stats. 1951, p. 1414, in effect September 22, 1951.

Construction.—Despite this section, the general rule is that penalties follow the tax. Section 93 and this section do not require penalties on Mello-Roos special taxes to go to the county general fund, since special taxes are not ad valorem property taxes. Thus, delinquency penalties collected by a county in conjunction with special taxes for a city and a community facilities district must be distributed to the city and the district. *City of Camarillo v. Ventura County*, 26 Cal.App.4th 1351.

4653.7. Distribution of penalties for failure to provide change-in-ownership statements. Amounts paid as penalties for failure to provide change-in-ownership statements shall be distributed to the county general fund.

This section shall also apply to those penalties when collected from entries on the unsecured roll.

History.—Added by Stats. 1983, Ch. 1224, in effect January 1, 1984.

4653.8. Distribution of costs. The cost charge amounts collected by the tax collector shall be distributed to a county fund for use by the tax collector in covering the cost of preparing and maintaining the delinquent list.

History.—Added by Stats. 1951, p. 1414, in effect September 22, 1951. Stats. 1986, Ch. 1420, effective January 1, 1987, restated the section, which previously provided that “Amounts collected as the cost for preparing the delinquent list shall be distributed to the county salary funds.”

CHAPTER 1b. UNSECURED ROLL

- § 4655. “Taxes.”
- § 4655.2. Distribution of taxes.
- § 4655.4. Distribution of penalties.

4655. “Taxes.” As used in this chapter, “taxes” includes all taxes and assessments charged on the current unsecured roll.

History.—Added by Stats. 1951, p. 1414, effective September 22, 1951. A former section of the same number relating to “Expenses” was repealed by Stats. 1949, p. 470, in effect October 1, 1949. Stats. 1969, p. 219, operative July 1, 1970, added “current” before “unsecured roll.”

4655.2. Distribution of taxes. Taxes shall be distributed to each fund on the basis of the tax rate established for the current unsecured roll and in the same proportion that the tax rate for each fund bears to the total tax rate applicable.

History.—Added by Stats. 1951, p. 1414, in effect September 22, 1951. Stats. 1953, p. 1424, in effect September 9, 1953, substituted “during the preceding assessment year” for “for the fiscal year in which the taxes became a lien and”; deleted “same” preceding “proportion”; deleted “for such year” at end. Stats. 1959, p. 2137, in effect September 18, 1959, deleted “for which they were levied” after “each fund,” substituted “fiscal year” for “assessment year” and otherwise reworded the section. Stats. 1969, p. 219, operative July 1, 1970, substituted “current unsecured roll” for “fiscal year preceding that in which distribution is made”.

4655.4. Distribution of penalties. Amounts paid as delinquent penalties or accrued legal interest paid on judgments for the recovery of unpaid property taxes rendered by the courts of this state shall be distributed to the county general fund.

History.—Added by Stats. 1951, p. 1414, in effect September 22, 1951. Stats. 1969, p. 219, operative July 1, 1970, added “or accrued legal interest paid on judgments for the recovery of unpaid property taxes rendered by the courts of this state”.

CHAPTER 1c. REDEMPTIONS *

- § 4656. “Taxes.”
- § 4656.1. “Assessments.”
- § 4656.2. Distribution of taxes.
- § 4656.3. Distribution of assessments.
- § 4656.4. Distribution of costs.
- § 4656.5. Distribution of redemption fees.
- § 4656.6. Distribution of installment payments.
- § 4656.7. Distribution under defaulted installment plans.

4656. “Taxes.” As used in this chapter, “taxes” includes all liens charged on the secured roll which are determined by the application of an ad valorem tax rate. In the case of property not assessed for any year, “taxes” also includes such liens that would have been charged on the secured roll for such year if the property had been assessed.

4656.1. “Assessments.” As used in this chapter “assessments” includes all liens charged on the secured roll which are not determined by the application of an ad valorem tax rate. In the case of property not assessed for any year, “assessments” also includes such liens that would have been charged on the secured roll for such year if the property had been assessed.

4656.2. Distribution of taxes. Taxes, including taxes paid in accordance with provisions of Section 4837.5, and all delinquent penalties, interest and redemption penalties accruing thereon, shall be distributed to each fund on the basis of the tax rate established for the fiscal year preceding that in which distribution is made and in the same proportion as the tax rate for each fund bears to the total tax rate applicable.

History.—Stats. 1990, Ch. 126, in effect June 11, 1990, added “including taxes . . . 4837.5,” after “taxes.”

Construction.—Because the general rule that the penalty follows the tax is not limited to agencies with taxing authority, it is irrelevant that a redevelopment agency is not a “fund” for purposes of this section. Although the section does not specify that redevelopment agencies are to share in penalties and interest, their entitlement to share results from the logical and equitable application of the rule and applies not only to penalties and interest but to the delinquent taxes themselves. *Community Redevelopment Agency v. Bloodgood*, 182 Cal.App.3d 342.

4656.3. Distribution of assessments. Assessments, and all delinquent penalties, interest and redemption penalties accruing thereon, shall be distributed to each fund in the same proportion as the assessments due each fund bears to the total amount of assessments due at the time of payment.

4656.4. Distribution of costs. Amounts collected as the cost for preparing the delinquent list shall be distributed to the county general fund.

* Chapter 1c was added by Stats. 1974, Ch. 708, p. 1580, in effect January 1, 1975.

When authorized by the board of supervisors, those amounts shall be distributed to a restricted county fund to be allocated only for the following purposes:

- (a) Updating and improving information with respect to delinquent taxes.
- (b) Redemption systems.
- (c) Monthly settlements with the auditor pursuant to Section 4108.
- (d) The collection of taxes by the tax collector.

Stats. 1992, Ch. 523, in effect January 1, 1993, added the second sentence of the first paragraph and subdivisions (a), (b), (c), and (d).

4656.5. Distribution of redemption fees. All redemption fees collected for property tax-defaulted prior to January 1, 1984, shall be distributed 50 percent to the State of California for deposit in the General Fund and 50 percent to the county that is the situs of the tax-defaulted property for deposit in its general fund. Redemption fees collected for property tax defaulted on and after January 1, 1984, shall be distributed five dollars (\$5) to the State of California for deposit in the General Fund and ten dollars (\$10) to the county that is the situs of the tax-defaulted property for deposit in its general fund.

History.—Stats. 1983, Ch. 1224, in effect January 1, 1984, added “collected prior to January 1, 1984,” after “fees” in the first sentence, and added the second sentence. Stats. 1985, Ch. 316, effective January 1, 1986, substituted “tax-defaulted property” for “tax-sold Land” after “the” in the first sentence, and substituted “tax defaulted” for “sold to the State” after “property” and substituted “tax-defaulted property” for “tax-sold Land” after “the” in the second sentence. Stats. 1986, Ch. 1420, effective January 1, 1987, added “for property tax-defaulted” after “fees collected” in the first sentence, and substituted “collected for” for “on” after “Redemption fees” in the second sentence.

4656.6. Distribution of installment payments. All or any part of moneys received under the provisions of Chapter 3 (commencing with Section 4186) of Part 7 may be held until redemption is made, or may be distributed as the money is received. The money shall be distributed as provided in this chapter.

4656.7. Distribution under defaulted installment plans. On termination of the right of redemption, amounts collected on defaulted installment plans shall be distributed as provided in this chapter, unless previously distributed.

CHAPTER 1d. DELINQUENT UNSECURED ROLL *

- § 4658. “Taxes.”
- § 4658.2. Distribution of taxes.
- § 4658.4. Distribution of penalties.

4658. “Taxes.” As used in this chapter, “taxes” includes all taxes and assessments charged on the delinquent unsecured roll or abstract list of delinquent unsecured taxes.

4658.2. Distribution of taxes. Taxes shall be distributed to each fund on the basis of the tax rate established for the fiscal year preceding that in which distribution is made and in the same proportion that the tax rate for each fund bears to the total tax rate applicable.

* Chapter 1d was added by Stats. 1969, p. 219, operative July 1, 1970.

4658.4. **Distribution of penalties.** Amounts paid as delinquent penalties or accrued legal interest paid on judgments for the recovery of unpaid property taxes rendered by the courts of this state shall be distributed to the county general fund.

CHAPTER 1.3. DISTRIBUTION OF PROCEEDS FROM SALE OF
TAX-DEEDED PROPERTY **

- § 4671. “Taxes.”
- § 4671.3. “Assessments.”
- § 4672. Distribution to State.
- § 4672.1. Distribution to county for cost of sale.
- § 4672.2. Distribution to county for cost of notice.
- § 4672.3. Cost of personal contact.
- § 4673. Cost of advertising sales.
- § 4673.1. Distribution of remaining proceeds.
- § 4674. Distribution of surplus. [Repealed.]
- § 4674. Excess proceeds.
- § 4675. Claim for excess proceeds.
- § 4675.1. Delegation by Board of Supervisors.
- § 4676. Notice of right to claim excess proceeds.

4671. **“Taxes.”** As used in this chapter, “taxes” includes all liens determined by the application of an ad valorem tax rate which were, at the time of declaration of default, included in the amount necessary to redeem the property under Chapter 1 (commencing with Section 4101) of Part 7.

History.—Added by Stats. 1974, Ch. 1102, effective January 1, 1975. Stats. 1985, Ch. 316, effective January 1, 1986, substituted “declaration of default” for “sale by the state” after “at the time of”, deleted “from the sale to the state” after “property”, and deleted “of this division” after “Part 7”.

4671.3. **“Assessments.”** As used in this chapter, “assessments” includes all liens other than taxes which were, at the time of declaration of default, included in the amount necessary to redeem the property under Chapter 1 (commencing with Section 4101) of Part 7, and included in the amount necessary to redeem the property from sale to any taxing agency entitled to share in the proceeds.

History.—Added by Stats. 1974, Ch. 1102, effective January 1, 1975. Stats. 1985, Ch. 316, effective January 1, 1986, substituted “declaration of default” for “sale by the state” after “time of”, deleted “from the sale to the state” after “redeem the property”, and deleted “of this division” after “Part 7”.

4672. **Distribution to State.** There shall be distributed to the State of California, to be placed in the General Fund, the following:

One dollar and fifty cents (\$1.50) for all or any portion of each separately valued parcel of real property subject to a power of sale pursuant to Section 3691 and sold to private parties or to a taxing agency.

If property is deeded to a taxing agency under an agreement requiring that the taxing agency resell the property, it shall not be deemed “sold” until resold by the taxing agency to a private party.

The one dollar and fifty cents (\$1.50) for property sold shall be paid from the total amount to be distributed. If the total amount is insufficient the one dollar and fifty cents (\$1.50) shall be reduced accordingly.

** Chapter 1.3 was added by Stats. 1974, Ch. 1102, p. 2351, in effect January 1, 1975.

History.—Stats. 1976, Ch. 1079, p. 4885, in effect January 1, 1977, substituted “deeded” for “deed” in the first sentence of the first paragraph. Stats. 1978, Ch. 430, in effect January 1, 1979, replaced the words “a pro rata division agreement” with “an agreement requiring that the taxing agency resell the property,” in the second subsection. Stats. 1985, Ch. 316, effective January 1, 1986, substituted “subject to . . . Section 3691” for “deeded to the state” after “property” in the first subsection.

4672.1. Distribution to county for cost of sale. There shall be distributed to the county general fund to reimburse the county for the cost of conducting the sale one hundred fifty dollars (\$150) for all or any portion of each separately valued parcel of real property subject to a power of sale pursuant to Section 3691 and sold to private parties or to a taxing agency.

If property is deeded to a taxing agency under an agreement requiring that the taxing agency resell the property it shall not be deemed “sold” until resold by the taxing agency to a private party.

One hundred fifty dollars (\$150) for property sold shall be paid from the total amount to be distributed, after satisfaction of the amount specified in Section 4672. If the amount is insufficient, the one hundred fifty dollars (\$150) shall be reduced accordingly.

History.—Added by Stats. 1976, Ch. 113, p. 175, in effect January 1, 1977. Stats. 1978, Ch. 430, in effect January 1, 1979, in the second sentence deleted the words “a pro rata division agreement” and replaced them with “an agreement requiring that the taxing agency resell the property”. Stats. 1985, Ch. 316, effective January 1, 1986, substituted “subject to . . . Section 3691” for “deeded to the state” after “property” in the first paragraph, and substituted “the” for “such” after “if” in the second sentence of the third paragraph.

4672.2. Distribution to county for cost of notice. There shall be distributed to the county general fund to reimburse the county for the cost of giving notice pursuant to Section 3701 thirty-five dollars (\$35) for all or any portion of each separately valued parcel of real property subject to a power of sale pursuant to Section 3691 and sold to private parties or to taxing agencies. Thirty-five dollars (\$35) for property sold shall be paid from the total amount to be distributed after satisfaction of the amounts specified in Sections 4672 and 4672.1. If the amount is insufficient, the thirty-five dollars (\$35) shall be reduced accordingly.

History.—Added by Stats. 1980, Ch. 411, in effect July 11, 1980, operative January 1, 1981. Stats. 1985, Ch. 316, effective January 1, 1986, substituted “subject to . . . Section 3691” for “deeded to the state” after “property” in the first sentence, and substituted “the” for “such” after “if” in the third sentence.

4672.3. Cost of personal contact. (a) To reimburse the county for the costs of a personal contact, there shall be distributed to the tax collector a sum equal to the total amount of costs of the tax collector, but not to exceed one hundred dollars (\$100), incurred in conducting the personal contact pursuant to Section 3704.7, for all or any portion of each separately valued parcel of real property subject to a power of sale and sold to private parties or a taxing agency.

(b) The amount of the costs shall be paid from the total amount to be distributed from the sold property, after satisfaction of the amount specified in Section 4672. If, after satisfaction of the amount specified in Section 4672, there is insufficient funds to pay the costs specified in subdivision (a), the costs shall be reduced accordingly.

History.—Added by Stats. 2003, Ch. 199 (SB 1063), in effect January 1, 2004.

4673. Cost of advertising sales. Amounts to reimburse the county for the cost of advertising sales of tax-defaulted property shall be distributed to the county general fund as provided in Section 3719.

History.—Stats. 1976, Ch. 113, p. 176, in effect January 1, 1977, deleted “received” after “Amounts”, and added “as provided in Section 3719” after “fund”. Stats. 1985, Ch. 316, effective January 1, 1986, substituted “tax-defaulted” for “tax-deeded” after “sales of”.

4673.1. Distribution of remaining proceeds. After satisfaction of the amount specified in Sections 4672, 4672.1, and 4673, the proceeds shall be distributed as follows:

(a) An amount of the proceeds up to but no greater than the amount required, at the time of sale, to redeem the property from tax default and the sale to any taxing agency entitled to share in the proceeds shall be distributed as follows:

(1) A pro rata share shall be distributed to each assessment fund in an amount bearing the same proportion as the assessment due each fund bears to the total amount of taxes and assessments necessary to redeem the property at the time of sale.

(2) The remaining balance of the proceeds to be distributed under this section shall be distributed to each tax fund in an amount bearing the same proportion to the balance remaining as the tax rate for each fund bears to the total tax rate applicable to the property for the fiscal year preceding that in which the property was sold.

(b) After satisfaction of the amounts specified in subdivision (a), an amount of the proceeds necessary to satisfy current taxes and assessments and applicable penalties and costs thereon for the fiscal year in which the tax sale is held shall be distributed as provided in Chapter 1a (commencing with Section 4653) of this part. Current taxes and assessments referred to herein include taxes and assessments which would have been levied on the property if the property were not tax-deeded to any taxing agency and remains subject to sale by, or redemption from, the taxing agency.

History.—Added by Stats. 1976, Ch. 113, p. 176, in effect January 1, 1977. Stats. 1985, Ch. 316, effective January 1, 1986, deleted “by the state” after “time of sale” and substituted “tax default” for “the sale to the state” after “property from” in subsection (a), deleted “by the state” after “sale” in (1) thereof, and deleted “by the state” after “sold” in (2) thereof, and deleted “to the state or” after “deeded”, deleted “other” after “any” and added “and remains . . . taxing agency” after “agency” in the second sentence of subsection (b). Stats. 1990, Ch. 126, in effect June 11, 1990, added a comma after “4672.1” in the first paragraph and added the third sentence to subsection (b). Stats. 1990, Ch. 992, in effect January 1, 1991, added “for the fiscal year . . . is held” after “thereon” in the first sentence of subsection (b). Stats. 1991, Ch. 532, in effect January 1, 1992, deleted the former third sentence of subdivision (b) which provided that “In the case of sales completed between March 1 and July 1, ‘current taxes and assessments’ shall include amounts representing tax liens disencumbered by the tax sale.”.

4674. Distribution of surplus. [Repealed by Stats. 1976, Ch. 113, p. 176, in effect January 1, 1977.]

4674. Excess proceeds. Any excess in the proceeds deposited in the delinquent tax sale trust fund remaining after satisfaction of the amounts distributed under Sections 4672, 4672.1, 4672.2, 4673, and 4673.1 shall be retained in the fund on account of, and may be claimed by parties of interest in the property as provided in, Section 4675. At the expiration of one year following the recordation of the tax deed to the purchaser, any excess proceeds not claimed under Section 4675 shall be distributed as provided in

paragraph (2) of subdivision (a) of Section 4673.1, except prior to the distribution, the county may deduct those costs of maintaining the redemption and tax-defaulted property files, and those costs of administering and processing the claims for excess proceeds, that have not been recovered under any other provision of law.

History.—Added by Stats. 1976, Ch. 113, p. 176, in effect January 1, 1977. Stats. 1984, Ch. 866, in effect January 1, 1985, added “, except prior to . . . any other provision of law” after “subdivision (a) of Section 4673.1” in the second sentence. Stats. 1985, Ch. 316, effective January 1, 1986, substituted “the” for “such” after “retained in” in the first sentence, and substituted “recording” for “execution” after “following the” and substituted “tax-defaulted” for “tax-deeded” after “redemption and” in the second sentence. Stats. 1988, Ch. 830, in effect January 1, 1989, added “4672.2,” after “4672.1”. Stats. 1992, Ch. 523, in effect January 1, 1993, substituted “county” for “tax collector” after “the”; and “, and those . . . proceeds, that” for “which” after “files” in the second sentence.

Construction.—A party which had only a fractional share in property before its sale by the state is entitled only to its fractional share of the excess of proceeds remaining after satisfaction of the costs of sale and the unpaid tax assessments, not the entire excess. *First Corporation Inc. v. Santa Clara County*, 146 Cal.App.3d 841.

4675. Claim for excess proceeds. (a) Any party of interest in the property may file with the county a claim for the excess proceeds, in proportion to his or her interest held with others of equal priority in the property at the time of sale, at any time prior to the expiration of one year following the recordation of the tax collector’s deed to the purchaser.

(b) After the property has been sold, a party of interest in the property at the time of the sale may assign his or her right to claim the excess proceeds only by a dated, written instrument that explicitly states that the right to claim the excess proceeds is being assigned, and only after each party to the proposed assignment has disclosed to each other party to the proposed assignment all facts of which he or she is aware relating to the value of the right that is being assigned. Any attempted assignment that does not comply with these requirements shall have no effect. This paragraph shall apply only with respect to assignments on or after the effective date of this paragraph.

(c) Any person or entity who in any way acts on behalf of, or in place of, any party of interest with respect to filing a claim for any excess proceeds shall submit proof with the claim that the amount of excess proceeds has been disclosed to the party of interest and that the party of interest has been advised of his or her right to file a claim for the excess proceeds on his or her own behalf.

(d) The claims shall contain any information and proof deemed necessary by the board of supervisors to establish the claimant’s rights to all or any portion of the excess proceeds.

(e) No sooner than one year following the recordation of the tax collector’s deed to the purchaser, and if the excess proceeds have been claimed by any party of interest as provided herein, the excess proceeds shall be distributed on order of the board of supervisors to the parties of interest who have claimed the excess proceeds in the order of priority set forth in subdivisions (a) and (b). For the purposes of this article, parties of interest and their order of priority are:

(1) First, lienholders of record prior to the recordation of the tax deed to the purchaser in the order of their priority.

(2) Second, any person with title of record to all or any portion of the property prior to the recordation of the tax deed to the purchaser.

(f) In the event that a person with title of record is deceased at the time of the distribution of the excess proceeds, the heirs may submit an affidavit pursuant to Chapter 3 (commencing with Section 13100) of Part 1 of Division 8 of the Probate Code, to support their claim for excess proceeds.

(g) Any action or proceeding to review the decision of the board of supervisors shall be commenced within 90 days after the date of that decision of the board of supervisors.

History.—Added by Stats. 1976, Ch. 113, p. 177, in effect January 1, 1977. Stats. 1978, Ch. 1084, in effect January 1, 1979, added the second paragraph; added “only to those parties of interest who have claimed such excess proceeds” after “distributed”, and added “who have claimed such excess proceeds” after “interest” in the first sentence of the fourth paragraph; and substituted “files” for “file” in the first sentence of the fifth paragraph. Stats. 1979, Ch. 615, in effect January 1, 1980, substituted “recordation” for “execution” in the first sentence of the first paragraph, added the fourth sentence of the second paragraph; and substituted “90” for “30” in the first sentence of the fifth paragraph. Stats. 1980, Ch. 411, in effect July 11, 1980, operative July 1, 1980, substituted “recordation” for “execution” in the first sentence of fourth paragraph; and substituted “superior court” for “board of supervisors” in the first sentence and deleted the second sentence in the fifth paragraph. Stats. 1981, Ch. 1141, in effect October 2, 1981, operative January 1, 1982, substituted the fifth paragraph for the former fifth paragraph. Stats. 1985, Ch. 316, effective January 1, 1986, deleted “at the time of sale by the state” after “property” in the first paragraph; deleted “by the state” after “sold” in the first sentence, and substituted “with” for “by” after “interest” and substituted “the” for “such” throughout the fourth sentence of the second paragraph; substituted “the” for “such” after “Herein”, deleted “only to those parties of interest who have claimed such excess proceeds” after “distributed”, and substituted “the” for “such” after “claimed” in the first sentence of the fourth paragraph; and substituted subsection (a) of the second sentence of the fourth paragraph for the former subsection (a), which provided that “First, lienholders of record prior to the property becoming tax deed to the state or to any other taxing agency, in the order of their priority, as to liens that were extinguished by the issuance of the deed to the state; and”, and substituted subsection (b) thereof for the former subsection (b), which provided that “Then, any person who would be established with title to all or any portion of the property sold by the state by redemption of such property immediately prior to the sale by the state.” Stats. 1986, Ch. 1420, effective January 1, 1987, added “, in proportion to his or her interest held with others of equal priority in the property at the time of sale,” after “excess proceeds” in the first paragraph. Stats. 2003, Ch. 199 (SB 1063), in effect January 1, 2004, designated the former first paragraph as subdivision (a); designated the first, second, and third sentences of the former second paragraph as subdivision (b); created subdivision (c) with the fourth sentence of the former second paragraph and deleted “In addition,” before “Any person or” therein; designated the former third paragraph as subdivision (d); designated the former fourth paragraph as subdivision (e) and designated former subsection (a) thereof as paragraph (1) and substituted “their priority,” for “their priority; and” after “the order of” in the first sentence therein and designated former subsection (b) as paragraph (2) thereof and substituted “Second” for “Then,” before “any person with” in the first sentence therein; added subdivision (f); and designated the former fifth paragraph as subdivision (g).

Construction.—A person acquiring a postsale assignment of a property owner’s right to excess proceeds from a tax sale is not precluded hereby from claiming such excess proceeds. *Mission Valley East, Inc. v. Kern County*, 120 Cal.App.3d 89. Since the rights to excess proceeds were created when the proceeds came into existence, the distribution rights are subject to the general rule that when property rights are simultaneously created in several parties, claiming parties do not succeed to the rights of nonclaiming parties. *First Corporation Inc. v. Santa Clara County*, 146 Cal.App.3d 841.

A judgment creditor’s assignee is entitled, as a party of interest under Section 4675(a), to file a claim for excess proceeds from a tax sale of property against which the assignor had recorded an abstract of judgment, even though the assignee never formally filed or recorded the assignment. That portion of the section setting forth requirements for a person or entity which acts on behalf or in place of a party of interest with respect to filing a claim for excess proceeds applies only to situations other than assignments and is intended to apply only to such relationships entered into after the date of the tax sale. *Fjaeran v. Board of Supervisors*, 210 Cal.App.3d 434.

4675.1. Delegation by Board of Supervisors. The board of supervisors of any county may, by resolution, authorize any county officers to perform on its behalf any act required or authorized to be performed by the board of supervisors under Section 4675.

The resolution shall enumerate the section, or those portions of the section, to which the authorization is to apply, and shall specify administrative rules and procedures concerning any act performed under the authorization.

The resolution shall require that the county auditor record each act performed under the authorization.

The resolution may provide for review by the board of supervisors of any act performed under the authorization, or for periodic reports to the board of supervisors of any or all acts performed under the authorization, or both.

History.—Added by Stats. 1978, Ch. 164, in effect January 1, 1979.

4676. Notice of right to claim excess proceeds. When excess proceeds from the sale of tax-defaulted property exceeds one hundred fifty dollars (\$150), the county shall provide notice of the right to claim the excess proceeds, as provided herein.

(a) No later than 90 days after the sale of the property, the county shall mail written notice of the right to claim excess proceeds to the last known mailing address of parties of interest, as defined in Section 4675. The county shall make a reasonable effort to obtain the name and last known mailing address or parties of interest.

(b) If the last known address of a party of interest cannot be obtained, the county shall publish notice of the right to claim excess proceeds in a newspaper of general circulation in the county. The notice shall be published once a week for three successive weeks and shall commence no later than 90 days after the sale of such property.

The cost of obtaining the name and last known mailing address of parties of interest and of mailing or publishing the notices required herein shall be deducted from the excess proceeds and shall be distributed to the county general fund.

History.—Added by Stats. 1979, Ch. 615, in effect January 1, 1980. Stats. 1985, Ch. 316, effective January 1, 1986, deleted “by the state” after “sale” and substituted “tax-defaulted” for “tax-deeded” after “of” in the first paragraph, and substituted “the” for “such” after “sale of” in subdivision (a).

Note.—Section 8 of Stats. 1979, Ch. 615, provided no payment by state to local governments because of this act.

CHAPTER 3. ALTERNATIVE METHOD OF DISTRIBUTION OF TAX LEVIES AND COLLECTIONS AND OF TAX SALE PROCEEDS

- § 4701. Purpose.
- § 4702. Adoption and discontinuance.
- § 4702.5. Extension of discontinuance.
- § 4702.7. Discontinuance with respect to tax levying or assessment levying agency.
- § 4703. Tax losses reserve fund.
- § 4703.1. Temporary increase in secured tax delinquency.
- § 4703.2. Tax losses reserve fund—alternative procedure.
- § 4703.3. Orange County—transfer of obligations.
- § 4704. Entry on assessment roll of tax-defaulted property.
- § 4705. Funds.
- § 4706. Delinquency penalties and costs.
- § 4707. Adjustment for changes in taxes or assessments.
- § 4708. Credits and charges for collections deposited.
- § 4709. Verification of totals and transfer of balances.
- § 4710. Distribution of amounts received for redemption.
- § 4711. Apportionment of proceeds from sale of property. [Repealed.]
- § 4711. Refunds from tax losses reserve fund. [Repealed.]
- § 4711.5. Refunds from tax losses reserve fund. [Repealed.]
- § 4712. Distribution of rentals received from tax-deeded land. [Repealed.]
- § 4713. Liquidation of shares of funds in certain liens.
- § 4713.5. Apportionment of assessment levies.
- § 4714. Limitation on certain withdrawals from county treasury.
- § 4715. Certain public districts.
- § 4716. Minimum distribution to funds.
- § 4717. Insufficient payment; notice.

Constitutionality.—The method of distribution described in Sections 4701–4716 does not violate Section 31, Article IV or Section 18, Article XI of the Constitution which provide, respectively, that the Legislature may not give, lend or authorize giving or lending a county’s credit, and that a county shall incur no liability in any year exceeding the income for that year without the assent of two-thirds of the electors. *Corrie v. Contra Costa County*, 110 Cal.App.2d 210.

4701. Purpose. (a) The Legislature hereby finds and declares that it is the purpose of this chapter to provide an alternative procedure for the distribution of property tax levies on the secured roll made by counties on their own behalf or as the tax-levying and tax-collecting agency for other political subdivisions. The Legislature further finds and declares that the object of this alternative procedure is to simplify the tax-levying and tax-apportioning process and to increase flexibility in the use of available cash resources.

(b) For purposes of this chapter only, the term “secured roll” may include the supplemental property tax roll as described in Chapter 3.5 (commencing with Section 75) of Part 0.5 of Division 1.

History.—Added by Stats. 1949, p. 2386, in effect October 1, 1949. Stats. 1998, Ch. 528 (AB 1782), in effect January 1, 1999, lettered the first paragraph as subdivision (a), substituted “The Legislature hereby finds and declares that it is” for “It is hereby declared to be” before “the purpose” in the first sentence, substituted “The Legislature further finds and declares that” for “It is further declared to be” before “the object”, substituted “is to simplify” for “to accomplish a simplification of” after “procedure”, and substituted “to increase” for “an increase” after “process and” in the second sentence therein; and added subdivision (b).

4702. Adoption and discontinuance. (a) The procedure authorized by this chapter may be placed in effect in any county by resolution of the

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board of supervisors of that county adopted not later than July 15th of the fiscal year for which it is to first apply and shall thereafter remain in effect unless the board orders its discontinuance or unless, prior to the commencement of any subsequent fiscal year, the board receives a petition for its discontinuance joined in by resolutions duly adopted by the governing boards of not less than two-thirds of the participating revenue districts in the county, in which event the board shall order discontinuance of the procedure effective at the commencement of the subsequent fiscal year.

(b) Notwithstanding subdivision (a), for the 1993–94 and 1994–95 fiscal years only, the procedure authorized by this chapter may be placed in effect in any county by resolution of the board of supervisors of that county adopted not later than October 15 of the relevant fiscal year, and shall remain in effect unless otherwise discontinued in accordance with the provisions of this chapter.

History.—Added by Stats. 1949, p. 2386, in effect October 1, 1949. Stats. 1983, Ch. 407, in effect January 1, 1984, added “participating” after “two-thirds of the”. Stats. 1993, Ch. 130, in effect July 19, 1993, added subdivision letter (a) before “The” in the first sentence, substituted “orders” for “shall order” after “board”, and substituted “receives” for “shall receive” after “board” therein; and added subdivision (b). Stats. 1994, Ch. 1166, in effect September 30, 1994, added “and 1994–95” after “the 1993–94”, substituted “years” for “year” after “fiscal”, and substituted “of the relevant fiscal year,” for “1993,” after “October 15” in subdivision (b).

Construction.—Adoption of the method by a county prior to July 15, namely January 3, of the fiscal year for which it is to first apply, is proper. *Corrie v. Contra Costa County*, 110 Cal.App.2d 210.

4702.5. Extension of discontinuance. In any county electing to follow the procedure authorized by this chapter the board of supervisors by resolution as specified in Section 4702 may extend, or discontinue, these procedures to assessments that are entered on the secured tax roll for the current year.

Upon adoption, assessments shall be apportioned in the same manner that taxes are apportioned under this chapter.

History.—Added by Stats. 1959, p. 2412, in effect September 18, 1959.

4702.7. Discontinuance with respect to tax levying or assessment levying agency. In any county electing to follow the procedure authorized by this chapter, the board of supervisors, by resolution adopted in accordance with Section 4702, after holding a public hearing on the matter, may discontinue those procedures with respect to any tax levying agency or assessment levying agency in the county if the rate of secured tax delinquency in that agency in any year exceeds 3 percent of the total of all taxes and assessments levied on the secured rolls in that agency.

History.—Added by Stats. 1983, Ch. 407, in effect January 1, 1984. Stats. 1993, Ch. 130, in effect July 19, 1993, added a comma after “chapter”, added a comma after “supervisors”, deleted comma after “resolution”, and substituted “in accordance with Section 4702,” for “not later than July 15th of the fiscal year for which it is first to apply” after “adopted”.

4703. Accounts. In each county that elects to adopt the procedure authorized by this chapter there is hereby created a tax losses reserve fund.

(a) The tax losses reserve fund shall be used exclusively, as hereinafter provided, to cover losses that may occur in the amount of tax liens as a result of special sales of tax-defaulted property. Whenever in any year the amount of the tax losses reserve fund has reached an amount equivalent to 1 percent

of the total of all taxes and assessments levied on the secured roll for that year for participating entities in the county, the amounts hereinafter authorized to be credited to that fund may, for the remainder of that year, be credited to the county general fund.

(b) The auditor and treasurer shall keep apportioned tax resources accounts in a manner that the balance of amounts apportioned to funds on an accrual basis shall be known by both officers. In addition, the auditor shall keep secured taxes receivable accounts in a manner as to establish accountability for the amounts receivable on the secured tax rolls. Secured tax rolls, as used in this chapter, include delinquent rolls prescribed by Section 2627.

History.—Added by Stats. 1949, p. 2386, in effect October 1, 1949. Stats. 1959, p. 2413, in effect September 18, 1959, deleted enumerations of various accounts to be maintained by the auditor and treasurer, and added the third paragraph. Stats. 1980, Ch. 127, in effect January 1, 1981, added "(a)" before the second paragraph; added "Except that as provided in subdivision (b) of this section," before "whenever" and "the" before "tax losses" in the second sentence of subdivision (a); added subdivisions (b) and (c); and added "(d)" before the former third paragraph. Stats. 1983, Ch. 1281, in effect September 30, 1983, deleted "and abstracts prescribed by Section 4371" after "Section 2627" in the third sentence of subdivision (d). Stats. 1985, Ch. 316, in effect January 1, 1986, substituted "tax-defaulted" for "tax-deeded" after "sales of" in the first sentence, and deleted "of this section" after "subdivision (b)" in the second sentence of subdivision (a). Stats. 1987, Ch. 681, in effect September 17, 1987, added commas after "exclusively" and after "provided" in the first sentence, and substituted "4 percent" for "5 percent" after "equivalent to" in the second sentence of subdivision (a); and deleted "of this section" following the references to subdivision (a) and subdivision (b), and substituted "4-percent" for "5-percent" after "including the" in subdivision (c). Stats. 1992, Ch. 523, in effect January 1, 1993, substituted "has" for "shall have" after "fund", added a comma after "year", in subdivision (a) and (b); substituted "Except . . . 4703.1, if" for "If" after "(c)", substituted "the" for "such" after "until", substituted "that" for "as" after "time", and added a comma after "years" in subdivision (c); added a comma after "rolls" and "chapter" in the third sentence of subdivision (d). Stats. 1993, Ch. 853, in effect October 6, 1993, substituted "that" for "which" after "county" in the first paragraph; substituted "that" for "which" after "losses" in the first sentence of subdivision (a); deleted "Except as provided in subdivision (b)," after "property." and substituted "Whenever" for "whenever" to form the beginning of the second sentence of subdivision (a), and substituted "3" for "4" after "equivalent to" therein; deleted former subdivisions (b) and (c) which specified procedures relating to rates of secured tax delinquency which over 3 fiscal years were 3 percent or less where in any year the payment of tax losses reserve fund reached 3 percent of the total of all taxes and assessments levied on the secured rolls for that year; and relettered former subdivision (d) as (b). Stats. 1994, Ch. 293, in effect July 21, 1994, substituted "may" for "shall" after "to that fund" in the second sentence of subdivision (a). Stats. 1994, Ch. 1166, in effect September 30, 1994, added "for participating entities in the county" after "for that year" in the second sentence of subdivision (a). Stats. 1995, Ch. 3, in effect May 11, 1995, substituted "2" for "3" after "equivalent to" in the second sentence of subdivision (a); and deleted "such" after "accounts in" wherever it appears in subdivision (b). Stats. 1995, Ch. 914, in effect October 16, 1995, substituted "1" for "2" after "equivalent to" in the second sentence of subdivision (a).

4703.1. Temporary increase in secured tax delinquency.

(a) Notwithstanding subdivision (c) of Section 4703, a county utilizing the procedure set forth in subdivision (b) of Section 4703 shall not be penalized or required to comply with subdivision (a) of Section 4703, provided that the secured tax delinquency for that county for the 1991–92 fiscal year did not exceed 4 percent on June 30, 1992.

(b) This section shall become inoperative on July 1, 1993, and, as of January 1, 1994, is repealed, unless a later enacted statute that becomes effective on or before January 1, 1994, deletes or extends those dates.

History.—Added by Stats. 1992, Ch. 523, in effect January 1, 1993.

4703.2. Tax losses reserve fund—alternative procedure. (a) In any county electing to follow the procedure authorized by this chapter, the board of supervisors may, by October 31 of any fiscal year, on the recommendation of the county auditor, adopt a resolution electing to be governed by this section rather than the provisions of Section 4703. Upon adoption, a copy of this resolution shall be filed with the county auditor, the county treasurer, and the county tax collector. Except as otherwise provided in this subdivision, this

election shall remain in effect each fiscal year unless the board of supervisors adopts another resolution by October 31 of a fiscal year electing to be governed instead by Section 4703. For the 1993-94 fiscal year only, the election to be governed by this section rather than Section 4703 may be made no later than January 15, 1994. For the 1994-95 fiscal year only, an election to be governed by this section rather than Section 4703 may be rescinded, upon the recommendation of the county auditor, by a resolution electing governance under Section 4703 that is adopted by the board of supervisors on any date during that fiscal year.

(b) In each county that elects to adopt the procedure authorized by this chapter and elects to be governed by this section rather than Section 4703 there shall be created a tax losses reserve fund.

(c) The tax losses reserve fund shall be used exclusively, as hereinafter provided, to cover losses that may occur in the amount of tax liens as a result of special sales of tax-defaulted property. In a county electing to be subject to this section rather than Section 4703, the tax losses reserve fund shall be maintained at not less than 25 percent of the total delinquent secured taxes and assessments for participating entities in the county as calculated at the end of the fiscal year. At the end of the fiscal year, amounts in the tax losses reserve fund that are in excess of 25 percent of the total delinquent secured taxes and assessments for participating entities in the county may be credited to the county general fund.

(d) The auditor and treasurer shall keep apportioned tax resources accounts in such a manner that the balance of amounts apportioned to funds on an accrual basis shall be known by both officers. In addition, the auditor shall keep secured taxes receivable accounts in such a manner as to establish accountability for the amounts receivable on the secured tax rolls. Secured tax rolls as used in this chapter include delinquent rolls prescribed by Section 2627.

History.—Added by Stats. 1993, Ch. 81, in effect January 1, 1994. Stats. 1994, Ch. 293, in effect July 21, 1994, substituted “may” for “shall” after “taxes and assessments” in the third sentence of subdivision (c). Stats. 1994, Ch. 1166, in effect September 30, 1994, added “for participating entities in the county” after “taxes and assessments” in the second sentence, and added “for participating entities in the county” after “taxes and assessments” in the third sentence of subdivision (c). Stats. 1995, Ch. 3, in effect May 11, 1995, substituted “Except as otherwise provided in this subdivision, the” for “The” at beginning of the third sentence, and added the fifth sentence in subdivision (a). Stats. 1995, Ch. 914, in effect October 16, 1995, substituted “October 31” for “September 1” after “by” in the first and third sentences in subdivision (a); and substituted “25” for “50” before “percent” in the second and third sentences of subdivision (c).

4703.3. Orange County—transfer of obligations. Notwithstanding any other provision of law, general, special, or local, if Orange County sells or assigns obligations arising out of delinquent assessments or taxes on the secured roll to a joint powers agency pursuant to Section 26220.5 of the Government Code, the Orange County Board of Supervisors may elect to transfer its tax losses reserve fund to the joint powers agency. The tax losses reserve fund shall be maintained by the joint powers agency according to Section 4703 or 4703.2, whichever is applicable, except that the tax losses reserve fund may both be used to cover losses that may occur in the amount of tax liens as a result of special sales of tax-defaulted property and, subject

to agreements with bondholders, be pledged as a reserve for bonds issued by the joint powers agency to purchase the obligations arising out of delinquent assessments or taxes on the secured roll.

History.—Added by Stats. 1995, Ch. 1, Second Extraordinary Session, in effect May 15, 1995.

Note.—"Code" misspelled "ode" in first sentence.

4704. Entry on assessment roll of tax-defaulted property. In order to facilitate tax accounting in connection with the procedure authorized by this chapter each county which adopts the procedure shall enter tax-defaulted property on the rolls in the name of the assessee and extend taxes thereon in the name of the assessee. The amount so extended shall be used in the determination of the cost to redeem that property. If valuations of tax-defaulted property entered on the roll under the provisions of this section exceed 1 percent of the total, the valuations shall not be included by the county auditor in any statement of equalized assessed valuations which he or she may be required to make as the basis for the determination of a bond debt limitation.

History.—Added by Stats. 1949, p. 2387, in effect October 1, 1949. Stats. 1959, p. 2413, in effect September 18, 1959, inserted "if" before "valuations" and "exceed 1 percent of the total, such valuations" before "shall not" in last sentence. Stats. 1985, Ch. 316, in effect January 1, 1986, substituted "tax-defaulted" for "tax-deeded" after "enter", substituted "assessee" for "state" after "name of the", and substituted "in the name of the assessee" for "in the same manner as it would were the property subject to taxation" after "thereon" in the first sentence; deleted "against each such property shall be accounted for under this chapter as though it were a normal levy and" after "extended", and substituted "that" for "such" after "redeem" in the second sentence; and substituted "tax-defaulted" for "such tax-deeded" after "valuations of", substituted "the" for "such" after "total,", and added "or she" after "he" in the third sentence.

4705. Funds. (a) Upon completion of the tax roll as prescribed by Section 2152, the county auditor shall determine the total amount of taxes actually extended thereon for each fund for which a tax levy has been included. The amount so determined for each fund shall forthwith be apportioned to the credit of those funds on the accounts of the county auditor and county treasurer and the total thereof shall be entered on the apportioned tax resources accounts of both officers.

(b) Assessments entered on the secured tax roll shall be apportioned in the same manner if the board of supervisors has extended these procedures to assessments under Section 4702.5.

(c) Upon completion of the tax roll the auditor shall record the total amount due on the secured taxes receivable accounts.

(d) The board of supervisors shall provide which moneys in the county treasury, including but not limited to those credited to the tax losses reserve, shall be available to be drawn on to the extent of the amount of uncollected taxes credited to each fund for which a tax levy has been included, and those moneys may thereafter be drawn against in an amount not to exceed the amount of uncollected taxes credited to each fund for which a tax levy has been included in the same manner as if the amount credited had been collected. To the extent that moneys are so expended for a fund in advance of receipt of tax revenue therefor, the tax revenue may not be expended upon receipt. Moneys in the amount credited to the tax losses reserve, as well as tax revenues actually received for funds to the extent moneys have been expended therefor in advance of receipt, shall be available in the county

treasury for payment for the same purposes and in the same amounts as the money advanced was available prior to being advanced; provided however, that if the moneys so advanced were derived from the proceeds of the sale of bonds, including notes, certificates of participation, or other instruments evidencing indebtedness, authorized pursuant to subdivision (e) or otherwise permitted by law, or the investment of those amounts, then tax revenues actually received, including delinquent penalties, shall be used for the repayment of the bonds or the replenishment of any reserve fund for these bonds, or both.

(e) Any county that has elected to adopt the procedure authorized by this chapter is hereby authorized, in addition to any other financing permitted by law, to fund the procedure by the issuance of bonds payable from any delinquent taxes, assessments, and delinquent penalties in accordance with Chapter 6.6 (commencing with Section 54773) of Part 1 of Division 2 of Title 5 of the Government Code. Once the procedure authorized by this chapter is adopted, the obligation of the county to fund the procedure is an obligation imposed by law.

History.—Added by Stats. 1949, p. 2387, in effect October 1, 1949. Stats. 1959, p. 2413, in effect September 18, 1959, reworded last sentence of first paragraph by inserting “apportioned tax resources accounts” and eliminating provision for a charge to tax resources account; inserted second and third paragraphs in place of a paragraph relating to crediting fund account and charging tax resources account. Stats. 1994, Ch. 293, in effect July 21, 1994, added subdivision letter designations “(a)”, “(b)”, “(c)”, and “(d)”; added a comma after “by Section 2152” in the first sentence, and substituted “those” for “such” after “the credit of” in the second sentence of subdivision (a); substituted “those” for “such” after “included, and” in the first sentence of the new subdivision (d); added “; provided however, that. . . bonds, or both” to the third sentence of subdivision (d); and added subdivision (e).

4706. Delinquency penalties and costs. Upon completion of the computation of delinquent penalties on unpaid first installments as prescribed by Section 2617 of this code the auditor shall record the additional amount due on the secured taxes receivable accounts. The auditor shall similarly record the accountability for delinquent penalties and costs computed and entered on unpaid second installments as prescribed by Section 2627 of this code.

History.—Added by Stats. 1949, p. 2388, in effect October 1, 1949. Stats. 1959, p. 2414, in effect September 18, 1959, substantially changed the description of recordkeeping assigned to the auditor and eliminated participation therein by the treasurer.

4707. Adjustment for changes in taxes or assessments. Should any tax or assessment which was apportioned at the time of levy be changed by correction, cancellation or refund authorized by Part 9 of Division 1 of this code, a pro rata adjustment for the amount of such change shall be made in each of the funds to which apportionment previously has been made. The total pro rata adjustment of amounts previously apportioned shall be entered on the apportioned tax resources accounts of the auditor and the treasurer. The total amount of the changes shall be entered on the secured taxes receivable accounts of the auditor.

History.—Added by Stats. 1949, p. 2388, in effect October 1, 1949. Stats. 1959, p. 2414, in effect September 18, 1959, combined treatment of taxes and assessments and deleted references to Section 4705 and other particular accounts.

4708. Credits and charges for collections deposited. Amounts received on the secured tax roll for the current year shall be distributed on the accounts of the auditor and treasurer as follows:

(a) Any amounts levied but not apportioned to funds in the manner authorized by this chapter shall be distributed to the funds for which levied as prescribed in Chapter 1a of this part.

(b) Any amounts which were apportioned to funds at the time of the levy in the manner authorized by this chapter shall be distributed to the apportioned tax resources accounts.

(c) Amounts collected as costs shall be distributed to the county general fund.

(d) Amounts collected as delinquent penalties shall be distributed to the tax losses reserve fund.

The auditor shall record the total secured tax roll collections on his secured taxes receivable accounts.

History.—Added by Stats. 1949, p. 2388, in effect October 1, 1949. Stats. 1959, p. 2415, in effect September 18, 1959, completely revised this section which provided for certain duties of auditor and treasurer based on tax collector's monthly settlement prescribed by Section 2616.

4709. Verification of totals and transfer of balances. Upon completion of the delinquent roll as prescribed by Section 2627, the auditor shall verify the total thereof against his or her accounts. The auditor shall similarly verify against his or her accounts the total of the list of tax-defaulted property furnished him or her after the declaration date by the tax collector as prescribed by Section 3442.

The auditor shall adjust the secured taxes receivable accounts for the total amount of any adjustments on the secured tax rolls for delinquent penalties and costs which are no longer receivable as of the sale date under Section 4102.

History.—Added by Stats. 1949, p. 2389, in effect October 1, 1949. Stats. 1959, p. 2415, in effect September 18, 1959, substituted "his accounts" in place of specified accounts in first sentence and substituted second paragraph in place of a provision for closing accrual record account. Stats. 1985, Ch. 316, effective January 1, 1986, substituted a comma for "of this code" after "2627", and added "or her" after "his" in the first sentence, and added "or her" after "his", substituted "tax-defaulted" for "tax-sold" after "list of", added "or her" after "him", and substituted "the declaration" for "sale" after "after" in the second sentence of the first paragraph; and deleted "of this code" after "4102" in the second paragraph.

4710. Distribution of amounts received for redemption. After apportionment to the state of the amounts prescribed by Section 4656.5, amounts received for the redemption of tax-defaulted property shall be distributed as follows:

(a) Any amounts levied but not apportioned to funds at the time of levy in the manner authorized by this chapter and any redemption penalties collected on those amounts shall be distributed to funds as prescribed in Chapter 1c (commencing with Section 4656), except that assessments not apportioned previously shall be distributed to the funds for which levied.

(b) Any amounts which were apportioned to funds at the time of the levy in the manner authorized by this chapter shall be distributed to the apportioned tax resources accounts. The pro rata of redemption penalties or interest collected on any amounts levied but not apportioned to funds at the time of levy shall be distributed to the respective funds and the balance of redemption penalties or interest together with delinquency penalties shall be apportioned to the tax losses reserve fund.

(c) Amounts collected as costs shall be distributed to a restricted county fund to be allocated only for the following purposes:

- (1) Updating and improving information with respect to delinquent taxes.
- (2) Redemption systems.
- (3) Monthly settlements with the auditor pursuant to Section 4108.
- (4) The collection of taxes by the tax collector.

The total amount collected on the secured tax roll shall be entered on the secured taxes receivable accounts.

History.—Added by Stats. 1949, p. 2389, in effect October 1, 1949. Stats. 1955, p. 835, in effect September 7, 1955, substituted Section “4657.2” for “4653.1.” Stats. 1959, p. 2415, in effect September 18, 1959, inserted “redemption” before “penalties,” deleted “for which levied” between “funds” and “as prescribed” and added exception in subsection (a); inserted “apportioned” before “tax,” deleted “of the respective years of levy” following “tax resources accounts,” substituted “any amounts . . . time of levy” for “assessment” and “distributed” for “prorated,” deleted “assessment” between “respective” and “funds,” and deleted a sentence pertaining to transfer of assessment amounts included in the redemption amount, in subsection (b), and added the second paragraph. Stats. 1985, Ch. 316, effective January 1, 1986, deleted “of this code” after “4656.2,” and substituted “tax-defaulted” for “tax-sold or tax-deeded” after “redemption of” in the first paragraph; and substituted “those” for “such” after “collected on,” and substituted “commencing with Section 4656,” for “of this part” after “Chapter 1c” in subdivision (a). Stats. 1992, Ch. 523, in effect January 1, 1993, substituted “4656.5” for “4656.2” after “Section” in the first sentence; substituted “a restricted” for “the” after “to,” deleted “general” after “county,” added “to be . . . purposes:” after “fund,” and added paragraphs (1), (2), (3) and (4), to subdivision (c). Stats. 1995, Ch. 527, in effect January 1, 1996, deleted former subdivision (d) which provided, “amounts collected as redemption fees shall be distributed to the state.”

4711. Apportionment of proceeds from sale of property. [Repealed by Stats. 1976, Ch. 113, p. 177, in effect January 1, 1977.]

4711. Apportionment of proceeds from sale of property. The proceeds of the sale of tax-defaulted property deposited in the delinquent tax sale trust fund shall be distributed as provided in Chapter 1.3 (commencing with Section 4671). However, the taxes and assessments which constitute the amounts required to redeem the tax-defaulted property shall, for the purposes of this chapter, be distributed as follows:

(a) The amount available for distribution shall be prorated on the basis of those taxes and assessments between apportioned levies and unapportioned levies.

(b) The pro rata share for unapportioned levies shall be prorated between the amount of tax levies and the amount of assessment levies. The pro rata share for unapportioned tax levies shall be distributed to funds on the basis prescribed in Chapter 1.3 (commencing with Section 4671). The pro rata share for unapportioned assessment levies shall be distributed to the assessment funds on the basis prescribed in subdivision (a) of Section 4710.

(c) The pro rata share for apportioned levies shall be distributed to the tax losses reserve fund.

The amount cancelled by the sale shall be entered on the secured taxes receivable accounts. Any cancelled amounts which were apportioned at the time of levy in the manner authorized by this chapter shall be entered on the apportioned tax resources accounts, and this cancellation shall be borne by the tax losses reserve fund.

History.—Added by Stats. 1976, Ch. 113, p. 177, in effect January 1, 1977. Stats. 1985, Ch. 316, effective January 1, 1986, deleted “by the state” after “of the sale,” and substituted “tax-defaulted” for “tax-deeded” after “of” in the first sentence, created the second sentence of the first paragraph by substituting “. However,” for “the part; provided, however, that” after “4671),” and added “tax-defaulted” after “redeem the” and deleted “from the sale to the state” after “property” therein; substituted “those” for “such” after “basis of” in subsection (a); and deleted “of this part” after “4671)” in the second sentence of subsection (b).

4711.5. Refunds from tax losses reserve fund. [Repealed by Stats. 1976, Ch. 113, p. 178, in effect January 1, 1977.]

4712. Distribution of rentals received from tax-deeded land. [Repealed by Stats. 1985, Ch. 316, effective January 1, 1986.]

4713. Liquidation of shares of funds in certain liens. In any county electing to follow the procedure authorized by this chapter the tax collector and auditor, or either of them, upon approval of the county treasurer, may determine by analysis of the abstract of delinquencies the amounts included therein by the original tax and assessment levies for each fund, and, on the basis of such determination, the treasurer and auditor may forthwith enter the total tax levy on the apportioned tax resources accounts and apportion to each fund for which taxes were levied 95 percent of the fund amounts so determined. The remaining 5 percent of the tax amounts shall be apportioned to the tax losses reserve fund. These apportionments shall constitute a full liquidation of the share of each fund in the liens for delinquent taxes appearing on the abstract list and any amounts thereafter received through redemption or sale of the property shall be apportioned in the manner prescribed by Sections 4708, 4710, and 4711 for years in which the procedure authorized by this chapter has been in effect.

History.—Added by Stats. 1949, p. 2390, in effect October 1, 1949. Stats. 1959, p. 2416, in effect September 18, 1959, reworded first and second sentences so as to refer to apportioning rather than crediting the accounts. Stats. 1974, Ch. 1101, p. 2346, in effect January 1, 1975, substituted “tax collector” for “redemption officer” in the first sentence. Stats. 1985, Ch. 316, effective January 1, 1986, substituted “these” for “such” before “apportionments”, substituted “or” for a comma after “redemption”, deleted “or rental” after “sale”, added “and” after “4710”, and deleted “and 4712” after “4711” in the third sentence.

4713.5. Apportionment of assessment levies. In any county electing under both Sections 4702 and 4702.5 to follow the procedures authorized by this chapter the tax collector and auditor, or either of them, upon the approval of the county treasurer may apportion assessment levies in the same manner that Section 4713 provides for tax levies except that each fund for which assessments were levied shall be apportioned 100 percent of the assessment levies so determined. Such apportionments shall constitute a full liquidation of the share of each fund in the liens for delinquent assessments appearing on the abstract list and any amounts thereafter received through redemption, sale or rental of the property shall be apportioned in the manner prescribed by Sections 4708, 4710, 4711 and 4712 for years in which the procedure authorized by this chapter has been in effect.

History.—Added by Stats. 1959, p. 2416, in effect September 18, 1959. Stats. 1974, Ch. 1101, p. 2347, in effect January 1, 1975, substituted “tax collector” for “redemption officer” in the first sentence.

4714. Limitation on certain withdrawals from county treasury. Taxing agencies for which the county levies and collects taxes but for which the county treasury is not the legal depository may be limited in their withdrawals from the county treasury to amounts proportionate with actual tax collections by the county within their taxing areas.

History.—Added by Stats. 1949, p. 2391, in effect October 1, 1949.

4715. Certain public districts. This chapter shall have no application to tax levies made by counties on behalf of public districts for which the county treasury is not the legal depository unless agreed to by a resolution of the governing board of the public district and the board of supervisors of the county, adopted in accordance with Section 4702 for the fiscal year in which this procedure is to apply to that public district.

History.—Added by Stats. 1949, p. 2392, in effect October 1, 1949. Stats. 1993, Ch. 130, in effect July 19, 1993, substituted “the” for “such” after “board of”, substituted “in accordance with Section 4702 for” for “not later than July 15th of” after “adopted”, and substituted “that” for “such” after “apply to”.

4716. Minimum distribution to funds. There shall, notwithstanding any other provision of this chapter, be distributed to each fund not less than the amount which must under the Constitution be distributed thereto.

History.—Added by Stats. 1949, p. 2393, in effect October 1, 1949.

4717. Insufficient payment; notice. If a tax payment which is insufficient to cover the amount of taxes due and payable is received by the tax collector of a county that has elected to follow the procedure authorized by this chapter, the tax collector shall place the tax payment in a trust fund and immediately notify the taxpayer of the deficiency.

In the case of a deficiency in the payment of secured taxes, the taxpayer may pay the balance due until the date on which the property becomes tax defaulted by operation of law. If payment of the balance due is not received on or before that date, the insufficient payment shall be returned to the taxpayer, and shall become tax defaulted in the usual manner as provided in this code.

In the case of a deficiency in the payment of unsecured taxes, the taxpayer may pay the balance due within six months after the date of the insufficient payment. If payment of the balance due is not made within that time, the tax collector or other officer collecting unsecured taxes shall credit the amount of the insufficient payment on the unsecured roll.

If payment of the balance due is made within the time specified in this section, any delinquent penalty which attaches by operation of law shall be computed only upon the additional amount required to bring the payment to a nondelinquent status.

The county auditor shall make the necessary adjustments in the tax rolls and in the tax and penalty charges.

The tax collector may accept payments which are within ten dollars (\$10) of the tax due as payment in full. The auditor or controller shall prescribe methods for accounting and adjusting their accounts in this matter.

The provisions of this section shall become effective in any county when authorized by resolution adopted by majority vote of the board of supervisors of the county.

History.—Added by Stats. 1963, p. 2608, in effect September 20, 1963. Stats. 1983, Ch. 407, in effect January 1, 1984, substituted “ten dollars (\$10)” for “one dollar (\$1)” after “within” in the sixth paragraph. Stats. 1985, Ch. 316, effective January 1, 1986, substituted “becomes tax defaulted” for “is sold to the state” after “property” in the first sentence, substituted “that” for “the sale” after “before” and substituted “shall become tax defaulted” for “sale to the state shall be made” after “taxpayer, and” in the second sentence of the second paragraph; substituted “that” for “such” after “within” in the second sentence of the third paragraph; and substituted “the” for “such” after “supervisors of” in the first sentence of the seventh paragraph.

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